



UNITED STATES DEPARTMENT OF EDUCATION

Federal Student Aid

TO: Secretary Rod Paige
U.S. Secretary of Education

FROM: Terri Shaw
Chief Operating Officer

RE: FSA Weekly Report

DATE: June 9, 2003

THE WEEK AHEAD

Regional Office Visits: Terri Shaw is scheduled to visit FSA's Denver regional office on June 10, and the Seattle regional office on June 11. Since March, Terri has visited the Kansas City, Atlanta, Boston, New York, Philadelphia, San Francisco, and Chicago regional offices to meet with FSA staff.

OPERATIONAL METRICS

Application Activities through June 1, 2003: The Central Processing System (CPS) has processed 7,187,119 applications for the 2003-2004 cycle, a 7.3% increase over the 2002-2003 cycle.

1-800-4-FED-AID through May 31, 2003: Year-to-date, the Federal Student Aid Information Center (FSAIC) has received 3,910,497 calls, a 3.1% increase over last year. Service levels have increased with 98.6% of calls completed, a 5.6% increase over last year and the average speed to answer reduced by 73.7% to 11 seconds.

FSA IN THE FIELD

Postsecondary Education Standards Council: FSA representatives met with the Postsecondary Education Standards Council (PESC) Committee for a two-day retreat. The group reviewed the PESC mission statement, competing standards and organizations and drafted a mission statement and an operational strategic plan for the Education Standards Forum (replacing the XML Forum).

KEY ISSUES

Dear Colleague Letter Sent to EDPUBS: A Dear Colleague letter on the availability of FSA's publication, *Repaying Your Student Loans*, has gone to EDPUBS for mailing. The letter will be sent to approximately 2,100 schools with higher default rates. The letter promotes *Repaying Your Student Loans* as a tool to help students about to enter repayment understand their responsibilities and know what options are available to help them avoid default.

OMB Briefing: FSA CIO worked with the Office of Management to prepare a briefing on ED's Enterprise Architecture progress. ED CIO is scheduled to brief OMB tomorrow and provide a separate briefing to the Assistant Secretaries in the coming weeks.

E-Gov/eLoans: A contractor has been selected to conduct the next phase of the eLoans Gateway focus groups. The eLoans Gateway, formerly Online Access for Loans and one of the original 24 eGov initiatives, is an online gateway providing information on Federal loan programs. FSA is waiting to finalize the agreement with GovBenefits before developing the eLoans Gateway site and complete the focus group task. We anticipate the GovBenefits/eLoans Gateway MOU finalized by the end of the month.

Sallie Mae Monthly Payment Error: FSA continues to assess the impact of Sallie Mae's recent disclosure that a Sallie Mae system problem caused over 800,000 borrowers to make inaccurate monthly payments. FSA, OPE, OGC, and OIG are working to determine the scope of the problem and will identify appropriate remedies and policy implications. Last week, FSA drafted a response for your office to Representative George Miller regarding his inquiry on this matter. In addition, FSA requested specific plans and timetables from Sallie Mae to address the impact of the servicing error on all categories of affected borrowers. A follow-up meeting is scheduled for June 20 with Sallie Mae representatives at FSA offices.

ON THE HORIZON

Voluntary Flexible Agreements (VFA): FSA approved the draft Voluntary Flexible Agreement (VFA) Report to Congress and forwarded it to OES for official clearance. VFA's replace the standard agency agreement for selected guarantors that develop innovative methods for delinquency and default prevention. We anticipate final approval by the end of June at which time the report will be released to Congress.

Common Services for Borrowers (CSB) Procurement: The Department of Education has completed Phase I of FSA's CSB procurement. ACS Education Solutions, AT&T Government Solutions, and Sallie Mae, Inc. were selected to submit proposals under Phase II. The Office of Contracts and Purchasing Operations issued the CSB Phase II solicitation on May 21, 2003 via FedBizOpps. **The deadline for proposals was extended from June 23, 2003 to July 7, 2003.**

Community Partnership, HBCU Training: ED, FSA, the White House Initiative on Historically Black Colleges and Universities (HBCUs), and the National Association for Equal Opportunity in Education announced this week that they will be jointly sponsoring nine two-day workshops around the country during June and July. The workshops will provide training and technical assistance to financial aid and business office staff members at HBCUs. Topics to be addressed include verification; reconciliation and best practices, untangling the web, return of Title IV funds, and satisfactory academic progress.

CONTACT INFORMATION

Please contact Chris Greene at 377-4003 with any questions.